



Islamabad's Informal



# **CHINA STUDY CIRCLE**



Twenty First Session  
CPEC-BCIM Updates  
by Shahzad Qasim





## Attempting to fine-tune the CPEC strategy

- **WITH** its reservations over project priorities, the newly elected government decided to review the country's CPEC strategy and launch plan within its 100 days to transform the project into 'a real game changer' for Pakistan
- *Prime Minister Imran Khan was keen to expedite stipulated programme scheduled for the second phase of the CPEC*
- Both countries agreed to set up a working group on socio-economic development and China has agreed to support Pakistan in establishing poverty alleviation projects
- After all, to quote an expert with intimate knowledge, "CPEC is a mere cog in a giant wheel" as CPEC projects have the potential to feed into the larger BRI structure embracing 60 countries located in different continents



# Chinese think tank mentions threats to CPEC

- **The Knowfar Institute for Strategic and Defence Studies has issued a report on the security issues around Pakistan. The report said that 300 Uighurs have joined Daesh who are active in Iraq, Syria, Thailand, Myanmar and Turkey. Separately, the Chinese authorities have nabbed more than 300 Uighurs and are investigating about them**
- **The report published this year has indicated that Khost province of Afghanistan is centre of anti-Pakistan forces. It is the area where major attacks in Pakistan are planned. Report said that the CPEC is facing threats from three different forces i.e. Tehreek-e-Taliban Pakistan, anti-government elements and Balochistan Liberation Army. The report also mentioned Indian concerns and rhetoric against the CPEC**



## Strategic confines of CPEC

- **Pakistan's strategists have failed to calculate CPEC's economic and commercial potential. They conceive and project CPEC as a vision of regional connectivity, which will provide a strategic edge to the country over its neighbours when resources will flow from one region to another, while Pakistan could become a transit state**
- **Strategic orientation hurts efforts to create an investment-friendly environment. Although China encourages foreign investment in CPEC, it does not appear willing to extend exclusive partnership to any other nation**
- **The government needs to focus on the depoliticisation of CPEC and bringing it out of the shadow of its strategic orientation. It can arrange expos to showcase CPEC but also to make potential in economic, commercial areas**



# **CPEC project: A global game changer**

- **China-Pakistan Economic Corridor emerges as an initiative that will entirely change the global balance in the region**
- **Confronting the concrete alliance the U.S. builds in Central Asia and India-Pacific regions through India and Afghanistan, close cooperation and strategic partnership between Pakistan and China are drawing more importance**
- **With this project, China will make an annual profit of at least \$10 billion by halving the length of the Europe maritime route. Pakistan, for its part, is expected to make \$5 billion in highway revenues alone**
- **The U.S. owns powerful equipment, with its own policies and methods. Despite having such a strong economy, it cooperates and does business or even borrows from China**



## **Pak-China to Counter Propaganda against CPEC**

- **Executive Secretary, All-China Journalists Association, Wang Dongmei called for a dialogue between media of two countries to enhance cooperation and counter negative campaign against the CPEC**
- **The journalists, lawmakers, academics and intellectuals from China and Pakistan Friday called for joint efforts to highlight cooperation between the all-weather friends and counter negative propaganda against the CPEC framework**
- **China will make an annual profit of at least \$10 billion by halving the length of the Europe maritime route. Pakistanis expected to make \$5 billion in highway revenues alone**
- **We are striving for doing everything possible to ensure regional trust and stability. But, they will not be able to achieve their goals due to influence of the global powers**



# Russia Hosts Peace Talks With Afghanistan

- The meetings had been postponed at least twice since Russia publicly announced them in August, mainly due to diplomatic gesturing by the three major parties in the Afghan war: Taliban, the government of Afghanistan, and the United States
- “I think what they [Russia] are trying to do is they are pursuing a strategy which is to compete with us by trying to exert their influence wherever they can, whether it is in Afghanistan or Syria or anywhere else,” Army Gen. Joseph Votel, the head of U.S. Central Command,” told VoA
- According to Afghan government officials during the duration of the current war in Afghanistan, Russia has supplied the Taliban with small arms, contributing to the currently difficultly in the nation



# AP CM WANTS FOR TRADE WITH CHINA

- Arunachal Pradesh Chief Minister has pitched for increased border trade with China using a Second World War highway built by the allies in 1944
- We need to look at this region from the lens of trade. If there can be trade (with China) through Nathu La pass in Sikkim or through Lipulekh pass in Uttarakhand, why can't there be trade through Stillwell Road," said Pema Khandu
- Stillwell Road, that begins in Assam and ends in China's Yunnan province after passing through Arunachal Pradesh and Myanmar's Kachin state, as the "prime mover for cross-border trade and economic integration in the region
- A study by the Indian Chamber of Commerce suggested that Stillwell Road can take up to 20 per cent of the bilateral trade between the two Asian giants





# Sino-Japanese Investment In India

- The North East, bordering as many as five countries, is witnessing a peculiar geo-political scenario where arch rivals Japan and next door neighbour China are courting for investment in infrastructure, at times even jointly
- Collaboration between China and Japan will fill resource gap, which has been a major bottleneck in the Bangladesh and Myanmar phase of the BCIM project.
- India and Japan have already announced setting up of the Act East Forum and plans to take up infrastructure projects in India's north-eastern states.
- Kenji Hiramatsu, Japanese ambassador to India who visited Meghalaya and other NE states, feels the region is “one of the core agenda of bilateral relationship



## **Modi calls for ‘great wall of trust’ with China**

- **The youth dialogue was billed by the Chinese embassy as part of the build-up to the first meeting in December of the China-India high-level people-to-people and cultural exchange mechanism co-chaired by the foreign ministers. The mechanism was one of the outcomes of the informal summit between Modi and Xi in Wuhan in April**
- **Prime Minister Narendra Modi on Friday spoke of the need for contacts between India and China to build a “Great Wall of Trust and Cooperation”. Modi’s remarks came in the form of a message read out to participants of the China-India Youth Dialogue 2018 at the Chinese embassy**
- **Chinese envoy Lou Zhaohuispoke of the need to synergise India’s ‘Act East’ policy with China’s OBOR initiative**



# Watch out China-Myanmar Economic Corridor

- Chinese Foreign Minister proposed to establish China-Myanmar Economic Corridor (CMEC), which will connect China's southwestern province of Yunnan to Mandalay in central Myanmar, and then east to Yangon and west to the Kyaukpyu Special Economic Zone
- He pointed out that the CMEC would open up new vistas for the building of “Belt and Road Initiative” between China and Myanmar
- On 9 September 2018, China's National Development and Reform Commission (NDRC) issued a statement that China and Myanmar had signed an MoU to build the CMEC. This would be the second bilateral economic corridor after the China-Pakistan Economic Corridor (CPEC) and perhaps another flagship of Xi Jinping's pet project, the BRI



Thank you!